

## 5. DEFINITIONS

Many of the concepts and terms used in the HIES have obvious definitions -- such as state of current residence, location of primary school, gross pay, etc. -- removing the need to repeat all concepts and their definitions here. However, the survey did include certain concepts whose meanings are not obvious, requiring that this report present necessary definitions.

The most important concept employed in the HIES is the *household*. For purposes of this survey, a household comprised a group of persons who eat and sleep together -- the same definition as used in the 1990 census of Palau. A household thus included all usual residents, but excluded short-term visitors. Some households consisted of more than one dwelling unit; conversely, sometimes a single dwelling unit contained more than one household. Senior project personnel made every effort to define other terms in the same manner as those used in the 1990 census. The HIES included no special places (such as hotels, hospitals, and prisons) or no group quarters (worker dormitories, military barracks, etc.). But the survey did include non-Palauans, whether living in a Palauan household or composing a household of their own. The *head of household* signified that one member of a household who household members recognized as the social-residential unit's main point of reference.

*Income* in the HIES signified any benefit gained by a household, through the capital or labor investment of its members, that could be used for the household's maintenance and survival. Income usually consisted of wages and associated types of compensation (e.g., tips) in the form of money, measured in gross terms. It also included subsistence items, consisting of food products (fish, other marine animals, fruit, vegetables, and terrestrial animals) acquired from the local environment rather than purchased. Moreover, income included *in-kind pay* -- that is, compensation with items other than money or access to particular objects or activities (e.g., the right to use someone's vehicle). Finally, the HIES treated gifts received by a household as income. Where possible, subject households estimated the amount and value of these non-monetary types of income. Interviewers or supervisors provided estimates on the basis of market rates when the respondents would not or could not assess values of subsistence goods or other types of non-money income.

*Expenditures*, in turn, signified any payment by a household. As with income, expenditures included

both monetary and non-monetary expenditures -- the latter comprising labor and gifts given. The HIES recorded expenditures on an acquisition basis rather than a payments basis; that is, subjects reported expenditures on goods and services when they acquired these items even if payment was not made at that time. The aim of this approach was to measure as closely as possible the value of consumption rather than the timing of payment.

As a final comment on definitions, note that the HIES also included income and expenditures associated with traditional Palauan customs. Thus the survey treated obligations of another household in terms of providing money, labor, or tribute (e.g., food items) to a subject household as income, their values estimated accordingly. Similarly, the HIES treated money, goods, or services flowing from a subject household to another household as expenditures. The survey treated remittances as income or expenditures, depending on the direction they flowed.